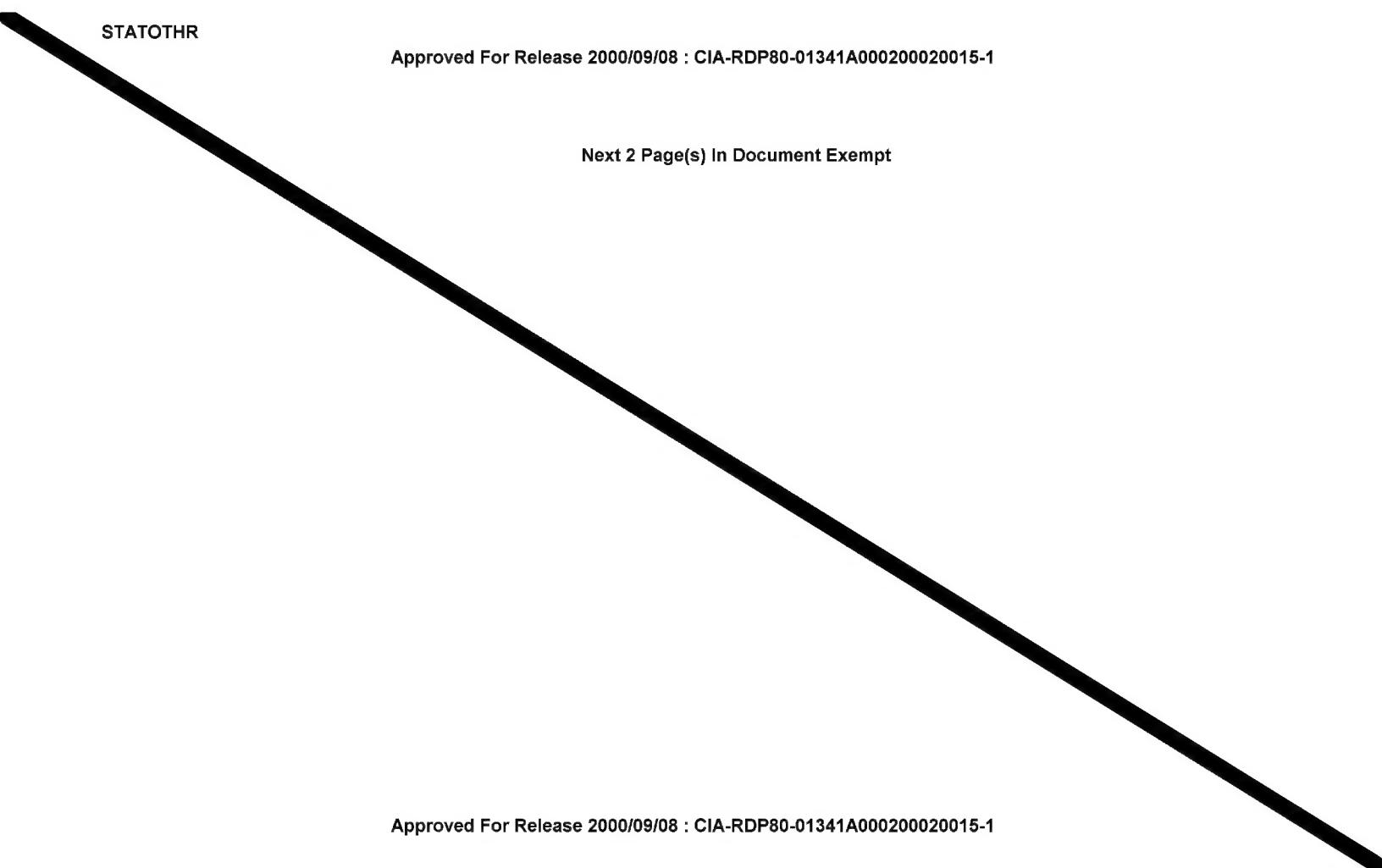


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25 February 1971

MEMORANDUM FOR: Director of Finance

SUBJECT : Proposed Reorganization of Compensation and
Tax Division

1. I have made a careful appraisal and given consideration to the overall needs in the Office of Finance before proposing a substantial reorganization in the Compensation and Tax Division. These actions were directly related to the responsibility entrusted to me for the accurate and legal disbursing of over 45% of the Agency's allotted funds as well as maintaining and disbursing from a Retirement Fund of over [REDACTED]

25X1A

2. Basically, I see the need for structuring an organization staffed in depth with qualified SF Careerist knowledgeable of finance and payroll operations and with supervisory capabilities. On this, the following observations and proposals are rendered:

a. Concept

- (1) The basic requirements for payroll operations, including computation, balancing of accounts, compilation of costs for personal services and other similar tasks is substantially unchanged by an automated payroll system. What does change is a reduction in the amount of clerical time normally required to perform the basic payroll functions.
- (2) As we move towards activation of phase II and III of the Agency's automated payroll system and a larger percentage of pay cases are automated, the clerical time saved will permit this division to distribute the pay case load more evenly. This distribution will reduce the average pay case per pay clerk to an acceptable work level for maximum efficiency. Other government agencies with automated

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payroll systems have established this level at 800 - 1,000 pay cases per clerk.

(3) In line with reporting costs, liaison functions and support provided our decentralized finance components, I propose to re-align all the payroll operations on a geographic basis within the two major controls of the automated payroll system. These controls are payment of compensation based on positive or assumed reporting of hours worked. This geographic re-alignment will provide maximum flexibility for processing payroll data on the various categories of employees within the Compensation and Tax Division and should provide for the most efficient and economical support to our "customers." Compartmentation and special handling of certain categories of employees would necessarily remain in one specific area of responsibility.

b. Nature of Responsibility

(1) With ADP now applied to payroll operations, I feel that the nature of responsibilities of those employees working with an automated payroll system has significantly changed. Greater emphasis is now placed on the monitoring, interpreting and analyzing the products and by-products of the payroll operation.

(2) Management controls over the automated payroll system must be effective enough to ensure reliable and accurate outputs from the system. The need for strong management control is now even greater as more payroll operations are performed automatically without human intervention and there is less chance that errors will come to the proper attention.

c. Restructure

(1) To accomplish the tasks inherent with an automated system, I would like to structure the Compensation and Tax Division into a highly efficient organization. This would necessarily require the upgrading and restructure of many positions to permit the assignment of experienced SF Careerist with qualifications and capabilities for filling the various levels of management in the Division. Key personnel are essential in the management of a wide variety of payroll operations with a significant degree of complexity.

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(2) I also see the need for establishing in the SF Career Service an organization such as Compensation and Tax Division which would recognize the specialized skills and knowledge required in payroll operations. Most employees desire work that is stimulating and challenging as well as monetarily rewarding and which provides an opportunity for increasing their skills and advancing to higher level positions. Failure to provide a reasonable measure of these opportunities can result in high turnover, time and personnel required in training new employees and lower efficiency. I have found this to be true in this Division.

(3) The positions I have restructured provide for logical entrance levels for SF Careerist other than payroll careerist. Logical career patterns have been established for progression in the Division to more skilled and higher graded positions as employees gain in skill and ability to assume greater responsibility.

3. As can be noted in the attached proposed T/O, adequate leadership is provided at all levels necessary in performing the wide variety of payroll functions and services in the largest single organization in the Office of Finance.

4. I would be pleased to discuss the proposed reorganization at your convenience.

25X1A



Chief
Compensation and Tax Division

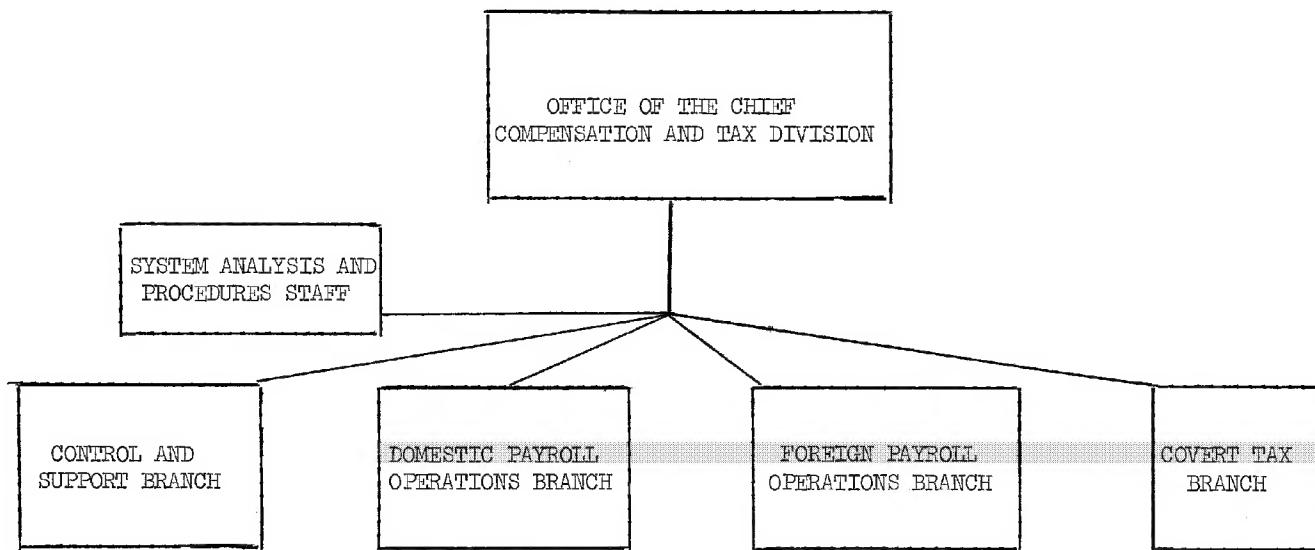
Attachment
Proposed T/O

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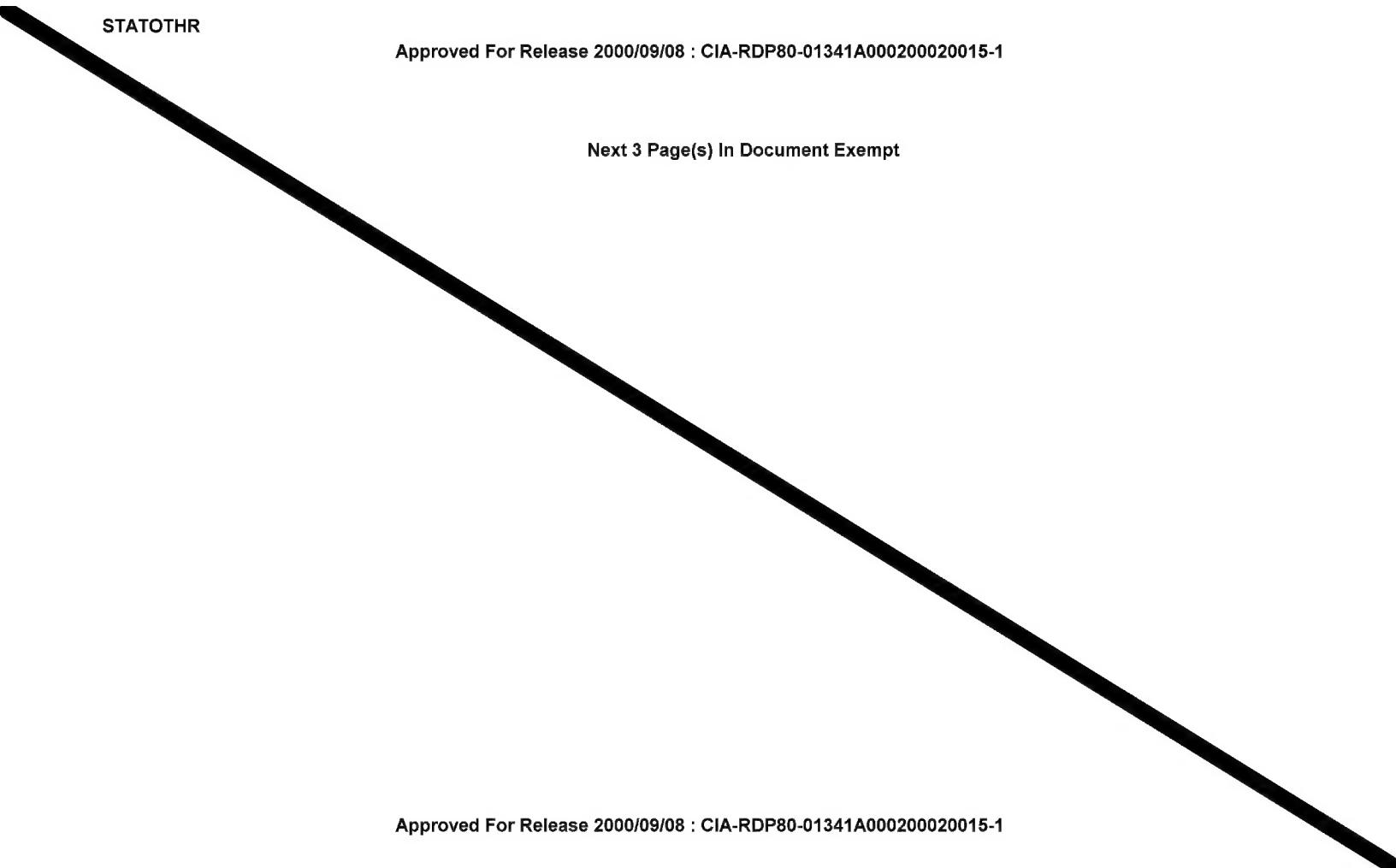
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SENDER WILL CHECK CLASSIFICATION	AT TOP AND BOTTOM
UNCLASSIFIED	CONFIDENTIAL
	SECRET

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	[REDACTED]		B
2	SS		
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks:

First column represents present T/O.

Second column represents proposed T/O living with same number of points as the present except for 11 points Dave said he could add; i.e., 1 for the chief, 1 for the chief's secretary, and 9 for one new auditor in Covert Tax Staff.

The third column is a scaled down version of the previous submission which is asking for 33 points (22 more than the proposed) in comparison to 118 points in the first submission. If an 11 is given to Payroll to go as Deputy Chief, Payroll Support Branch, he would scale down the other increases in the Branch.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
[REDACTED]	3/22

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)		[REDACTED]		FR
FROM: Chief, Central Cover Staff G-H-56 Headquarters			EXTENSION 5407	NO.
			DATE 8 January 1971	
TO: (Officer designation, room number, and building)		DATE RECEIVED FORWARDED		OFFICER'S INITIALS
[REDACTED] 702 Key Bldg.		1/11	1/13	lw
2.				
3. DEPUTY DIRECTOR OF FOR OPERATIONS		1/14	1/15	see
4. Mr. Bush, DIR/FIN		1/15		FB
5. EXECUTIVE OFFICER OFFICE OF FINANCE				SA
6. Ruby [REDACTED]				lw
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

Attachment to Form 45 is appended also.

3+5 Pls note attachment to fitness Report prepared by C/CCS. Jw

3 to 4:
Believe we should try to get positions upgraded. Also check O/T/S position ref to 6515 Jw

4-5 I agree we should try to get re-classified.

5-6 Suggest we include in FY1972 Planning Paper.

JL —